

REGISTERED CHARITY NUMBER: 1131770

**Report of The Trustees and Financial Statements
for the Year Ended 31 December 2023**

**Parochial Church Council of the Ecclesiastical Parish of Highfield
(Known as Highfield Church) Southampton**

Contents

Report of The Trustees for the year ended 31 December 2023	3
Reference and Administrative Details	3
Structure, Governance and Management	5
Structure and Operation of the PCC	5
Compliance	5
Safeguarding	6
Aims and Purposes	7
Management Committees	7
Action and Accountability Groups	8
PCC Secretary's Report	9
Report on the Electoral Roll	9
Reports from Management Committees	10
Employment Report	10
Fabric Report	11
Financial Review	11
Summary of Financial Statements for 5 years	15
Independent Examination to the Trustees of	16
The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton	
Statement of Financial Activities and Statement of Total Recognised Gains and Losses	17
Prior Year - Statement of Financial Activities and Statement of Total Recognised Gains and Losses	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Statement of Cash Flows	21
Notes to the Financial Statements	22

Report of The Trustees for the year ended 31 December 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' for FRS 102.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number: 1131770

Parish: Christ Church, Portswood (Highfield Church, Southampton)
Highfield Lane,
Southampton,
Hants,
SO17 1RL

Trustees:

During the twelve months to 31st December 2023, the following served as members of the PCC:

- Mike Archer – Clergy
- Sarah Archer – from September 2023, Clergy
- Penny Cox - Churchwarden from January 2023 to April 2023
- Daisy Chan (née Wood) - from October 2020 (second term)
- Sue Coleman – from May 2024, Clergy
- Polly Cross - from April 2022 (first term)
- Max Davies - from April 2021 (second term)
- Alasdair Douglas - from October 2020 (second term)
- Alan Finney - from October 2020 (second term)
- Keith Fox – from April 2023 (first term, DS) From May 2024 as Clergy
- Robert Heather - co-opted April 2022 and elected in 2023 (first term)
- Ben Heptinstall - from October 2020 (first term, DS) to April 2023
- Caroline Hutchings - from April 2022 (first term)
- Pete Marston - Churchwarden October 2020 – January 2023. Co-opted March 2023 as Treasurer.
- Ben Mobley – from April 2024 (first term)
- Phil Moss - Churchwarden from April 2021
- Rachele Newman – Churchwarden from April 2023
- Zoe Norton - from October 2020 (second term)
- James Pritchard - from October 2020 (first term, DS) to April 2023
- Erica Roberts - Clergy
- Lisa Roberts - from October 2020 (second term)
- Jacob Racklyeft – from April 2024 (first term)
- Christine Sinclair - from April 2021 (first term, DS)
- Grant Stanley - from October 2020 (first term, DS) to April 2023
- Hannah Stanley – from April 2024 (first term, DS)
- Rob Swindell - from October 2020 (first term) to April 2023
- Gary Sankey - co-opted April 2022 to April 2023
- Barry Toward - co-opted April 2022 to April 2023
- David Tozer - from April 2021 (second term)
- Doug Wakeling - from October 2020 (second term) to April 2023
- Paula Willis - from April 2022 until April 2024 (leaving one year)
- Richard Venable – co-opted from September 2022 and Elected from April 2024 (first term)

Members of the PCC are either ex officio or are elected at the Annual Parochial Church Meeting (APCM) in accordance with the Church Representation Rules. PCC members stand for 3-year terms, unless co-opted by the Vicar, in which case they serve up to the next election and will have to re-stand. Members are eligible for

Parochial Church Council of Highfield Church, Southampton

re-election for a second 3-year term. Churchwardens are elected annually and hold automatic positions on Standing Committee and PCC.

Deanery Synod representatives are denoted by "DS" and are elected for three-year terms as for other PCC members.

Members standing down in 2023 and up to April 2024 are Penny Cox, Ben Heptinstall, James Pritchard, Grant Stanley, Rob Swindell, Gary Sankey, Doug Wakeling. Niv Lobo (Clergy) also stepped down in 2023.

Members re-elected in 2023 and up to April 2024 were Daisy Chan, Max Davies, Alasdair Douglas, Alan Finney, Zoe Norton, Lisa Roberts, David Tozer.

Members appointed after 31st December 2023 are Richard Venable, who went from co-opted to elected, Hannah Stanley, Ben Mobley and Jacob Racklyeft – all in April 2024

Independent Examiner:

Independent Examiners Ltd
Unit 2, The Broadbridge Business Centre,
Delling Lane,
Bosham,
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PO18 8NF.

Bankers:

Lloyds,
92-94 Above Bar Street,
Southampton,
SO14 7DT

Cooperative Bank
1 Balloon St,
Manchester
M60 4EP

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Parochial Church Council ("PCC") of Highfield Church is a corporate body established by the Church of England. The PCC operates under the Parochial Church Council Powers Measure and was required to register with the Charity Commission in 2009. The Registered Charity Number is 1131770. Accordingly, the Church operates as a Charity and members of the PCC are the Trustees.

New Trustees: Appointment, Induction and Training

Appointment of new Trustees (i.e. new PCC members) is governed by and set out in the Church Representation Rules. New PCC members are elected at the Annual Parochial Church Meeting in April each Year. The first PCC meeting involving new members is usually held in April or May. At this meeting, the Vicar and Secretary explain the way the PCC works and responsibilities of PCC members as Trustees. Newly-elected members are issued with a Church of England booklet entitled "Trusteeship – An introduction for PCC Members." Annually, each PCC member completes a Trustee Eligibility Declaration and an HMRC Fit and Proper Persons Declaration.

Structure and Operation of the PCC

Highfield Church PCC is the governing body within the Church and assists the Vicar to promote the Church's mission including its pastoral, evangelistic, social, and ecumenical facets within the Parish and with our mission partners local, nationally, and overseas. It is also responsible for maintaining the Church, the Church Centre, and a house at 104 Upper Shaftesbury Avenue. The Church operates as a Charity and members of the PCC are the Trustees.

The PCC operates through various management sub-committees and ministry groups, also known as 'Action & Accountability' (AA) groups, which meet between full meetings of the PCC. There are 6-8 meetings of PCC annually, and AA groups meet 5/6 times each year. AA groups may also have non-PCC members with expertise, gifts, or passion in their area of ministry. Devolution of business to AA groups helps PCC to concentrate on the most significant issues at meetings. Minutes of the meetings of AA groups are circulated to PCC and, along with those of the management committees, form part of the business agenda for PCC meetings.

COMPLIANCE

Related Parties

No Trustee is paid for the role of PCC member. Trustees may be reasonably reimbursed for expenditure incurred on behalf of the charity. Related party transactions are disclosed in the financial statements.

Risk Management

Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error. Risk assessment and action plans are reviewed regularly by the PCC. Actions to help to mitigate key areas of risk have been identified, and the PCC will endeavour to include such in the routine work of key members to ensure that actions are completed.

Safeguarding

The Parochial Church Council is committed to encouraging an environment where all people, and especially those who may be vulnerable for any reason are able to worship and pursue their faith journey with encouragement and in safety. Everyone, including the young, will receive respectful pastoral ministry recognising any power imbalance within such a relationship. To pursue this aim, the Parochial Church Council follows the safeguarding policies and procedures of the Church of England as set out in guidelines provided by the Bishop's House in the following documents: -

"Protecting all God's Children - Policy for safeguarding children in the Church of England".

"Promoting a Safe Church: Policy for safeguarding adults in the Church of England".

Parochial Church Council of Highfield Church, Southampton

Annually, the Parochial Church Council reviews and ratifies the Vulnerable Adults & Child Protection policies & associated guidance documents, revising these in the light of updated or new guidance issued by the Diocese.

Safeguarding remains a high priority at Highfield Church and is constantly reviewed and updated to stay in line with national and church best practice. Annually (September 2023), the PCC reviewed our Parish Safeguarding Policy Statement, responding to domestic violence and ex-offender's (Sept. '23) policies adopted the Church of England Safeguarding Policies and Practice Guidance, and updated the church website.

We will continue to actively promote a strong culture of safeguarding across all church groups, but especially in those comprising children, young people and students. Safer recruitment practices are adhered to across the church for paid posts and volunteering positions, in line with Church of England guidance, and all safeguarding concerns are recorded, reported and followed up appropriately.

As a parish, we continue to work in close partnership with Jackie Rowlands, as the Diocesan Safeguarding Officer on all matters (for example, information sharing, safe inclusion, advice, and policy). This church year (April 23-March 24) we have logged over 30 safeguarding concerns, an increase from 18 logged in the previous year. Concerns range from mental health problems to self-harm, possible neglect as well as occasional matters requiring police engagement.

The Parish Safeguarding Dashboard, introduced by the diocese in 2022, has been a helpful tool in auditing our processes and training needs and producing an action plan. We continued to use this in 2023, updating volunteer role descriptions and improving our recording processes for recruitment of volunteers. There is still more progress to make on our action plan in 2024.

Following the updated Church of England Safer Recruitment and People Management Guidance in 2022 we have moved to 3 yearly DBS checks and 3 yearly safeguarding training for all appropriate roles. The church office continues to support Andy King, with admin related to DBS checks and training. We have welcomed the use of the Church of England's training portal by many of our volunteers. On the portal you will find many components that can be completed online and the portal records your training certificates in your personal training account, making it easier to record training and stay up to date.

Andy King is our Parish Safeguarding Officer. Should you have any concerns or would like advice, please do contact him on safeguarding@highfield.church or 07723 461604. It is important for everyone to remain vigilant regarding safeguarding and to report any concerns to the safeguarding team or email.

GDPR

The Parochial Church Council oversaw measures to ensure compliance with General Data Protection Regulations of 2018. A Data Privacy Notice was drafted, and a statutory Data Protection Policy was prepared and approved by PCC in July 2018. Highfield Church is registered with the Office of the Information Commissioner.

Wider Network

The PCC includes in its membership Deanery Synod representatives who are elected to represent Highfield Church. The PCC also includes members of Diocesan Synod and General Synod who are on the electoral roll of Highfield Church. The PCC is thus part of the synodical structure of church government as established by the Church of England.

Aims and Purposes

Highfield Church's Parochial Church Council has responsibility for cooperating with the Vicar in promoting the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) within the ecclesiastical parish of Christchurch, Portswood (the legal name of the parish). The PCC also has financial and maintenance responsibilities for the Church, the Church Centre, and the residential dwelling it owns within the parish (104 Upper Shaftesbury Avenue).

In planning activities over the year, the Vicar and the PCC consider the Charity Commission's guidance on public benefit and seek to follow the specific guidance on charities for the advancement of religion. Thus, we aim to enable people in the Parish and our city to live out their faith through Encountering God in the services we offer, both in person and online, through Growing Together in small groups for mutual support and learning, and through Seeking the Kingdom by reaching others with the gospel and by serving human need. We have a particular focus on reaching and supporting students in Southampton University and working with our School to serve the parish.

Beyond its parish boundary, Highfield Church promotes and supports outreach and social justice work, whether with local, city-wide, national or international partnerships. All of these are consistent with our sense of calling and serve the Anglican Church's five marks of mission.

MANAGEMENT COMMITTEES

Standing Committee

The Standing Committee has authority to transact the business of the PCC between its meetings, subject to any directions given by the PCC. Along with the Churchwardens, it supports the Vicar in stewarding and directing the life of the Church. Standing Committee prepares agendas for PCC meetings and for the APCM (Annual Parochial Church Meeting) and Parishioners' Meeting. This Committee will discuss matters relating to policies and Church business from which it will prepare agendas for PCC meetings and for the APCM and Parishioners' Meeting. It has delegated authority from the PCC to make a single payment from PCC funds for any item of up to £3,000. Unless otherwise budgeted, larger amounts require the approval of the PCC.

Employment Group

Employment Group advises the Vicar and PCC on employment and management of personnel employed by the PCC and is currently chaired by Polly Cross.

Fabric Group

Fabric Group manages the external and internal fabric of the Church, the Church Centre and any other PCC owned property such as 104 Upper Shaftesbury Avenue. It is responsible for implementing recommendations in the architect's quinquennial report on the Church, and for preparing any development plans for the Church and Church Centre, liaising with architects and Diocese, as necessary. The Fabric Group is currently without chair, after the former chair David Tozer retired in September 2023. The Churchwardens are overseeing this group in the interim.

Finance Group

Finance Group oversees the finances of the Church on behalf of the PCC. In association with the Treasurer, the group monitors income and expenditure, advises on ways of increasing the Church's income, prepares the annual budget and is responsible for preparation of the annual accounts and Independent Examination. The Finance Group is currently chaired by Richard Venable and the role of Highfield Church Treasurer is carried out by Pete Marston.

ACTION AND ACCOUNTABILITY GROUPS

Adult Discipleship & Prayer Together (ADAPT)

ADAPT is tasked by the PCC with oversight of adult discipleship and prayer together. It is responsible for stewarding small groups. Mike Archer currently chairs ADAPT.

Children's Ministry

Children's ministry covers children, and families with children, aged from birth up to secondary school age, in terms of their introduction to Jesus, the growth of their faith and support as they do so. This group primarily exists to support our children's ministry staff and volunteers with prayer, reflection, and accountability. The group is chaired by our Children and Families' Pastor, Hemi Crane.

Climate Action Group

This group exists to promote our responsibilities of creation care by researching, planning, and proposing ways to reduce Highfield's carbon footprint and make our activities more environmentally friendly. The group is chaired by Keith Fox.

Older People's Ministry

This group encourages and develops ministries within the Church which provide on-going social and spiritual support for older members of our community. Through Erica Robert's role as City Chaplain for Older People in Southampton, it has a wide scope of activity and influence within the City of Southampton where it is well-established. Erica Roberts is the Chair for Older People's Ministry.

Worship Group

The Worship Group comprises members of the music ministry, service leaders and planners. It has a coordinating role for planning preaching, worship, and music for services in church throughout the year. Rhiannon Taylor leads the Worship Group.

Mission Group

Mission Group (formerly Mission in Action) is responsible for sharing the good news of Jesus Christ outside Highfield Church. It keeps the Church in contact with Mission Partners in Southampton and overseas and encourages support through prayer. The Group is responsible for allocating mission and social budgets. This group has undertaken changes during the 2023 year which can be read about in the Secretary's report below. The current chair is Caroline Hutchings.

Young People's Ministry

This group supports expanding growth and vision of the 11-18 age group, meeting for discussion, planning and prayer. It manages priorities for the year and initiates or reviews any significant changes in policies etc. This group is led by Highfield's Ordinand Tim Taylor and Mike Shorey, YTH CHRCH Lead, who joined the staff team in November 2023 as Tim Taylor will be moving to his curacy in 2024.

Reports from all these AA groups are published separately in a document sent out to local church members.

PCC SECRETARY'S REPORT

Mission Discussions

At the beginning of the year, we continued with a process alongside the Mission Group intended to bring the missional activities of Highfield to the forefront of church life and encourage wider engagement with our mission partners from people across the congregations. We were grateful for the insights of the Mission Group as they undertook this difficult task, the fruits of which we look forward to seeing further into 2024.

104 Upper Shaftesbury Avenue

After seeking the will of God with the Gethsemane prayer, the PCC reached the decision to sell 104 Upper Shaftesbury Avenue in 2023. Discussions were detailed, laying out the intentions behind the sale and guidelines for the use of the proceeds, and the property was sold in Summer 2023.

Employment Group

A large aspect of PCC business in the first half of 2023 involved clergy staffing, with Mike being instated as Vicar, having being Priest-In-Charge for a decade, and as the Standing Committee and PCC met with Bishop Debbie to discuss the potential for Sarah Archer joining Highfield as an Associate Vicar. Discussions between the PCC and the diocese continued throughout the spring, culminating in the end of Sarah's curacy, and the beginning of her role at Highfield in June. This year has held many joys and challenges from an employment perspective, as PCC has listened to the recommendations from Employment Group and taking into consideration the needs of the staff team when recruiting new roles. We are blessed to have knowledgeable professionals on PCC who have supported us through these recruitment processes.

Blessed By Volunteers

One of the greatest joys of serving on PCC is bearing witness to the incredible achievements of our ministry teams, much of which relies on the dedication and commitment of volunteers—not least the PCC itself! From hearing about visiting teams in the Older People's ministry to the changing landscape of ministry on campus and the fruit of Open House, PCC hears regularly about the ways God is moving in all these places and more. We are, however, also acutely aware of the struggles of each ministry leader in managing to grow the volunteer teams at the same rate as children, youth or students coming to the church!

Daisy Chan, PCC Secretary

ELECTORAL ROLL AND CHURCH ATTENDANCE

At the time of reporting for the APCM, there are 280 people on the ecclesiastical Electoral Roll for the Parish.

Please note the following attendance numbers are for in-person church services only and are not reflective of the number of people attending our online services. Church Attendance, calculated as an average of the five Sundays in October 2023, was 273 (*292) adults and 37 (*47) children under 16 years of age (comparable figures for October 2022 were 257 adults and 36 children) *the number in brackets is the average over the 3 weeks without half term Sunday when fewer adults and children were present.

Attendance at YTH CHRCH calculated as an average of the four Sundays in October 2023, was 13 (*13) adults and 24 (*26) children under 16 years of age (comparable figures for October 2022 were 17 adults and 25 children). Note the third Sunday included a baptism and so number of adults present increased.

Mid-week church attendance, calculated as an average of the four weeks in October 2023 was 15 adults. There were three school services during the month.

Kelly Worthington, Executive Pastor

REPORTS FROM MANAGEMENT COMMITTEES

EMPLOYMENT GROUP REPORT

The role of Employment Group (EG) is to support the Church's paid and voluntary staff and provide accountability and governance to ensure the Church is a great employer, developing people and offering opportunity to achieve their full potential. The group aims to "promote and protect good working conditions; support and encourage all staff in the stewardship of their role to ensure there is growth within the work and in their personal lives for the greater glory of God in the Parish of Highfield and under the direction of the Vicar and PCC."

Members of EG have skills such as workforce planning, recruitment, volunteer management, training, line management and safeguarding. We may advise PCC on matters such as recruitment, HR policy and employment law, assist by being involved in writing job descriptions, contracts and policies or taking part in recruitment, or scrutinise processes to ensure that we are a good employer. Most of this goes on behind the scenes.

It continues to be an enormous privilege to serve in this role and to support the wonderful clergy and staff team whom we are so blessed with. The focus continues to be on our Discipleship Process and seeking to discern God's leading in structuring our staff team to further our vision of Encountering God, Growing Together and Seeking the Kingdom. The year has seen much change and an enormous amount of work has gone on in the background.

At the beginning of 2023 we said goodbye to Pete Hutchings our Associate Pastor, and in spring saw Mike confirmed as Vicar of Highfield. In July it was a great joy to welcome Sarah Archer to the team as Associate Vicar and Niv Lobo came to the end of his curacy with us in August. In our student team, Tim Daulby commenced a period of secondment to a self-funded role as Campus Pastor in September and we were delighted to appoint Rhiannon Nicholson as Student Worker on a fixed term basis.

In YTH, we said goodbye to Emma Jackson in April and Emily Daulby consequently increased her hours to take on some of Emma's responsibilities, as well as reorganising Emily's services and communications responsibilities within the wider staff team. We were delighted to welcome Mike Shorey as our Head of YTH and Southampton Youth Minister in November, who will work alongside Tim Taylor until he departs for his curacy position in May. Emily Daulby commenced maternity leave in October.

In our children's ministry, we said goodbye to Helen Thompson, Children's Pastor, in July and were delighted to appoint Hemi Crane (née Poulton) to the position of Children and Families Pastor.

Within our operations team, Cate Lloyd departed in June and Magdalena Norris was appointed as Church Administrator in June. Ben Atkins, our Facilities Assistant, left at the end of his fixed term contract in July and in September we welcomed Joe Hughes to this role. Tim Hyde, Operations Manager, has indicated his intention to move and will be leaving us in April.

In terms of key volunteer roles, Daisy Chan stepped into the role of PCC Secretary in January 2023, taking over from Becky Proctor. Pete Marston stepped down as Church Warden early in 2023 and formally took on the role of Treasurer. Penny Cox served as interim Church Warden until Rachele Newman's appointment as Church Warden in April. Richard Venable took on the role of Chair of Finance. David Tozer stepped down as Chair of Fabric in the Autumn. Fabric Group has been slightly restructured and Ben Mobley has taken on the role of Building Resources Lead working closely with Rachele Newman as warden.

Polly Cross, Chair of Employment

FABRIC GROUP REPORT

It has been another busy year with the fabric volunteers continuing to work in the background to keep on top of the regular maintenance and repairs to our buildings, grounds and resources. Tim Hyde continues to manage the regular health and safety requirements as part of his role as Operations Manager. David Tozer stepped down as Chair of Fabric after 6 years of service in this role. Rob Childs has decided to step down so my thanks to Rob for his service to the group.

Quinquennial Inspection

This is now due and is scheduled for early March 2024. It is likely to result in repairs to our church buildings. There are some anticipated works related to the safety of our facilities and grounds that have already been prioritized for development.

Group Management

Fabric group has undergone a change of management structure and now has a Building Resources Team

Ben Mobley (Buildings Lead): Projects and development

Tim Hyde (Operations Manager): Repair and maintenance + liaison with existing group of fabric volunteers

Rachele Newman (Warden): Governance and accountability

This new management triplet is still ably supported by a core of Fabric volunteers.

Rachele Newman, Churchwarden

FINANCIAL REVIEW

Results for the year

The financial results for the year covering both unrestricted and restricted income and expenditure, was a surplus of £42,692 (2022: deficit of £66,007)), a huge turnaround from 2022 and needs some explanation, which is below, but has set us up well for 2024.

Starting with our income, the majority still comes from voluntary income by our members and guests. The regular member donations via the Parish Giving Scheme (PGS) and direct bank transfers to the church account have generally held steady throughout the year, starting strong at the beginning of the year after the Stewardship campaign in late 2022, with figures dropping slightly in the middle of 2023 and then picking up in November and December 2023. PGS increased by around 9% in 2023 on 2022 figures. Digital giving via Stripe has continued to be a declining source of income and we have seen less spontaneous and one-off giving in 2023. We have benefited from Phil Moss identifying several extra gift aid claims we could make.

The Church Centre income has seen a significant increase for our income, almost doubling on 2022 figures. Kelly Worthington did a fabulous job securing the Highfield After School Club as a new client and the school and Little Acorns, as well as many other repeat clients, have all contributed to this. Running and staffing the centre remains expensive, so it's hard to judge how much 'surplus' we get from it, but it remains a key asset for our missional work.

We only had a single legacy in 2023 which led to the Finance and Income Group producing new marketing material to remind members of the importance of leaving some of their estate to Highfield Church. Lisa Roberts led this initiative with an excellent and informative handout that can be found at the back of church.

As previously commented in last year's report, Grant Funding has remained low in 2023, compared to the high levels we have had in the past. We do still get some great grants - both Tim Taylor for our Youth Ministry and Tim Daulby for our Campus Mission have secured grants which has been a real blessing to both areas of ministry; we have benefited from a New Wine Raising Generations grant and a Just Sow grant. The Finance and Income Group has continued to look for suitable grants that may support Highfield's work.

Parochial Church Council of Highfield Church, Southampton

The most significant change in our financial resources in 2023 was the sale of 104 Upper Shaftesbury Avenue. As a reminder, this property was purchased by the church around 1993, after a significant gift from an anonymous church member, and was restricted to be used to house a church member of staff, which is how the house was used until a few years ago. In 2018, with the restriction lifted and no member of staff at that time requiring use of the property, the PCC let the property to provide an income. When the tenant moved out in 2022, it was realised that the property needed significant money spent on it, with a structural issue as well as a very dated and worn-out interior. PCC debated whether to retain the property and bring it up to standard, renting it out for a regular income as well as continued increase in value, or whether it was time to sell the property to use the funds in other ways. If you wish to read more about how PCC reached a final decision, it is fully detailed in the PCC minutes, but the almost unanimous decision was reached to sell the property, with strict rules around how the money could be used over the short and long term. PCC agreed that up to one third of the sale could be used to support any deficit in the General Fund and two thirds would remain under PCC control to be used on future church projects yet undecided. The property was sold in August 2023.

In December 2023, during the PCC's 2024 budgeting process, the PCC voted to move £25,000 of the sale proceeds into the Essential Repair Fund and to retain the remainder in an unrestricted Investment Fund, with the same directive that up to one third could be used for any deficit of the General Fund. This fund can be seen on the Balance Sheet. The only restricted investment the church now has is the Endowment Fund held by the Diocese, which has seen an increase in value in 2023.

Looking at total income over the year, with the benefits of higher Church Centre income, higher voluntary income, restricted grants and market revaluations of our assets, our income has risen by an impressive 12% overall and almost 8% more than we originally budgeted.

Moving to our expenditure, our greatest asset is our dedicated staff team. They tirelessly embody the vision God has given us, and we're committed to responsible stewardship of resources to ensure they have the support they need to continue their impactful work. Our careful management of staffing costs directly translates into our ability to operate the church and bring that vision to life.

We were able to maintain our commitments to the Common Mission Fund/Diocesan Parish Share, which the Diocese has dropped slightly to reflect the challenging financial situation.

PCC initiated a full review into the mission & social action partner process, which led to the end of financially supporting one major mission partner, meaning that our unrestricted mission giving dropped in 2023 to 9.4% of our total unrestricted income. Beyond supporting external partners, our church also invests significantly in parish-level initiatives led by our dedicated ministry leaders. These initiatives encompass various areas like evangelism and social action. For example, we continue to financially cover Open House and fully underwrote the highly successful city-wide YouthFest. This highlights how our financial resources contribute significantly across the spectrum of mission, evangelism, and social action within our own community.

One major area of underspend against the original budget is in the fabric and property costs – many of the projected maintenance costs and capital expenditure were not undertaken in 2023, but are still badly needed, so these have moved in to the 2024 budget. When the PCC agreed the 2024 budget, it was agreed that some of the Capital Expenditure projects could be funded by the Investment Fund.

In addition to underspend in the building and external mission budgets, costs were controlled or deferred in other areas such as general ministry costs, and staff costs were 10% less than budgeted.

To summarise, the 2023 finances have finished in a good place, leading to the surplus stated. The General Fund ended as £140,521 (2022: £101,960) and our total Capital and Reserves has increased to £743,458 (2022: £700,763). This led to PCC voting for a deficit budget for 2024 to enable the church to pursue being a community of devoted disciples who encounter God, grow together, and seek the Kingdom in all we do.

The Finance and Income Group continue to pursue new areas of income from Grants and other means as well as work with the budget holders to manage expenditure whilst not restricting what can be achieved.

Another area to make the members aware is that, for a variety of reasons, I recommended changing bank accounts from our longstanding bank, Lloyds. We have had ongoing issues around communication with Lloyds for many years, as well as challenges around changing signatories when Trustees changed. My predecessor Treasurers have been more tolerant than me, but I feel it has hampered our financial abilities and also put us at risk, so I recommended to Finance and Income Group to change. Finance and Income Group did due diligence on other banks and presented their findings to PCC, with a recommendation to PCC to move to the Cooperative Bank, who have an excellent ethical policy in line with our Christian values as well as a dedicated branch in Southampton city centre that we can access when we need to change signatories and an upgraded internet banking system that should mitigate the risk of human error in our payments process. I am pleased to confirm that PCC voted to change bank accounts and Coop Bank have confirmed the opening of a new current account and two savings accounts.

Reserves Policy

The reserves policy, established in 2019, is that the PCC should not allow unrestricted general funds to fall below three months of forecast, unfunded cost of employment for more than two consecutive quarters and that any forward 12-month forecast should not project those funds falling below one month forecast, unfunded cost of employment.

The PCC holds unrestricted funds, which are not designated, of £140,521 (2022: £101,960), which is above that limit.

The majority of PCC income continues to remain from unrestricted committed and regular personal giving, which is one of the strongest long-term reserves the PCC could have. A sustained effort is under way to maintain overall income, and to ensure that adequate resources are available to meet planned activities.

The PCC believes this will enable it to maintain the correct balance between the outward-looking strategy of the charity with the desire to achieve an appropriate level of reserves.

Principal Funding Sources

The staff salaries, activities and ministries of the church are mainly funded by the contributions received from members of the church and through the income tax recovered under the Gift Aid scheme. The Church Centre is funded through the letting of its rooms to outside organisations and individuals, but any shortfall would be funded by the PCC.

Investment Policy and Objectives

The PCC approved the investment policy to invest its funds via the Diocese of Winchester. This provides a lower rate of interest than could be obtained elsewhere, but the purpose of this investment is that it enables the Diocese to provide loans at a lower rate of interest to other parishes who need to borrow money. In this way the investments help the wider church.

Independent Examiners

The Church is not required to undertake a full audit and is allowed to undertake an Independent Examination. Independent examination is a form of external scrutiny suitable for smaller charities. The role of the examiner is to provide an independent scrutiny of the accounts, and, in this way, help maintain public trust and confidence in charities. The benefit to the church is that it is a less time-consuming and costly process. The Church's accountants were appointed in 2022 and were HWB Chartered Accountants, but after review of other similar churches, it was identified that Highfield Church paid more for the 2021 and 2022 Independent Examination than other similar-sized churches, so the Finance and Income Group, on behalf of the PCC, amicably terminated the services of HWB and are in the process of seeking a new Independent Examiner to review the 2023 accounts.

Approved by the Parochial Church Council on 21st October 2024 and signed on their behalf by:



M Archer
Vicar and Chair of Trustees

SUMMARY OF FINANCIAL STATEMENTS FOR 5 YEARS

The summary of Financial Statements for 5 years has been prepared to provide an overview of the PCC finances. It does not form part of the official financial statements but is based on them.

RESULT FOR THE YEAR	2023	2022	2021	2020	2019
	£k	£k	£k	£k	£k
Income from members including tax	459	453	417	401	462
Gift days & Retiring Collections	34	10	-	64	57
Income from parish fees and grants	7	11	82	53	21
Church Centre and other departments	79	43	42	41	79
Weekend away	-	-	-	-	16
Income from investments and interest	3	12	14	17	18
Total Income	582	528	555	576	653
Mission Giving and Donations	44	56	48	66	64
Diocesan Parish Share	120	125	120	124	133
Staff Costs	227	207	213	263	295
Church activities	14	12	10	17	48
Church maintenance and houses	22	67	23	22	25
Cost of Church Centre and departments	75	86	48	45	54
Weekend away	-	-	-	-	20
Church administration	26	23	19	20	22
Depreciation	17	16	20	23	62
Total Expenditure	545	592	501	580	723
Net Surplus/(Deficit)	37	-64	54	-4	-70
Investment gains/losses & b/f adjustments	5	-2	22	31	-93
Increase / (Decrease) in Funds	42	-66	76	27	-163
Funds at start at year	701	767	691	664	827
Funds at end of year	743	701	767	691	664

FINANCIAL POSITION	2023	2022	2021	2020	2019
	£k	£k	£k	£k	£k
PCC NET ASSETS					
Fixed Assets	78	559	558	535	505
Investments	17	15	17	15	14
Bank balances, debtors & creditors	648	127	192	141	145
Total Net Assets	743	701	767	691	664
PCC FUNDS					
Premises and fixed assets	78	559	558	535	505
Endowment and Restricted Funds	52	40	58	48	46
Investment Funds	448	0	0	0	0
Essential Maintenance Fund	25	0	30	30	35
General Fund	139	102	121	78	78
Total Funds	743	701	767	691	664

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PAROCHIAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF HIGHFIELD, SOUTHAMPTON

I report to the charity trustees on my examination of the accounts of The Parochial Church Council of the Ecclesiastical Parish of Highfield, Southampton (the Trust) for the year ended 31 December 2023.

Responsibilities and basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a fellow member of the Association of Charity Independent Examiners which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jackie Irvine-Smith
Independent Examiners Limited
Unit 2, The Broadbridge Business Centre,
Delling Lane,
Bosham,
West Sussex
PO18 8NF

Date: 25/10/2024

STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL 2023	TOTAL 2022
	Note	£	£	£	£	£
INCOME AND ENDOWMENTS						
Voluntary income	2(a)	435,543	34,743	0	470,287	430,800
Income from church activities	2(b)	108,823	932	0	109,754	85,483
Income from investments	2(c)	2,400	0	451	2,851	12,045
Other income	2(d)	0	0	0	0	0
TOTAL INCOME		546,766	35,675	451	582,892	528,328
EXPENDITURE						
Mission and charitable giving	3(a)	41,077	3,076	0	44,153	54,739
Church activities (cost)	3(b)	266,822	3,187	0	270,009	325,935
Governance costs	3(c)	3,660	0	0	3,660	5,080
Staff costs	3(d)	210,929	16,209	0	227,138	206,556
TOTAL EXPENDITURE		522,488	22,472	0	544,959	592,310
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		24,278	13,204	451	37,932	-63,982
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	3,330	0	1,430	4,760	-2,024
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		27,608	13,204	1,881	42,692	-63,982
Transfer between funds	2(e)	451	0	-451	0	0
Transfer between funds	6	2,477	-2,477	0	0	0
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR		30,536	10,727	1,430	42,692	-66,006
TOTAL FUNDS BROUGHT FORWARD		660,984	24,709	15,071	700,764	766,770
TOTAL FUNDS CARRIED FORWARD	11a	691,520	35,438	16,502	743,458	700,764

**STATEMENT OF FINANCIAL ACTIVITIES AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2022 £	TOTAL 2021 £
INCOMING RESOURCES						
Voluntary income	2(a)	420,869	9,931	0	430,800	497,984
Income from church activities	2(b)	73,018	12,465	0	85,483	42,256
Income from investments	2(c)	11,596	0	449	12,045	14,770
Other income	2(d)	0	0	0	0	0
TOTAL INCOMING RESOURCES		505,483	22,396	449	528,328	555,010
Transfer between funds	2(e)	449	0	-449	0	0
INCOMING RESOURCES AFTER TRANSFER		505,932	22,396	0	528,328	555,010
RESOURCES USED						
Mission and charitable giving	3(a)	47,805	6,934	0	54,739	47,698
Church activities (cost)	3(b)	314,766	11,169	0	325,935	236,366
Governance costs	3(c)	5,080	0	0	5,080	4,410
Staff costs	3(d)	192,798	13,758	0	206,556	213,398
TOTAL RESOURCES USED		560,449	31,861	0	592,310	501,872
Transfer between funds		0	0	0	0	0
RESOURCES USED AFTER TRANSFER		560,449	31,861	0	592,310	501,872
NET INCOMING/(OUTGOING) RESOURCES		-54,517	-9,465	0	-63,982	53,138
GAINS AND LOSSES ON INVESTMENTS						
- Gains on revaluation	7, 8	0	0	-2,024	-2,024	22,169
NET MOVEMENT IN FUNDS AND TOTAL RECOGNISED GAINS AND LOSSES IN THE YEAR	11a	-54,517	-9,465	-2,024	-66,006	75,307
FUNDS AT START OF YEAR		709,173	40,502	17,095	766,770	691,463
ADJUSTMENTS – Fixed Assets	6	6,328	-6,328	0	0	0
FUNDS AT END OF YEAR	11a	660,984	24,709	15,071	700,764	766,770

Parochial Church Council of Highfield Church, Southampton

BALANCE SHEET

At 31 December 2023

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	6	77,667	0	0	77,667	89,022
Investment property	7	-	0	0	0	470,000
Investments	8	0	0	16,502	16,502	15,071
		<u>77,667</u>	<u>0</u>	<u>16,502</u>	<u>94,168</u>	<u>574,093</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	9	4,839	0	0	4,839	13,526
Cash at bank & on deposit		628,160	35,438	0	663,596	135,127
		<u>632,999</u>	<u>35,438</u>	<u>0</u>	<u>668,435</u>	<u>148,653</u>
CREDITORS						
Amounts falling due within one year	10	-19,146	0	0	-19,146	-21,982
NET CURRENT ASSETS		<u>613,853</u>	<u>35,438</u>	<u>0</u>	<u>649,289</u>	<u>126,671</u>
NET ASSETS		<u>691,520</u>	<u>35,438</u>	<u>16,502</u>	<u>743,458</u>	<u>700,764</u>
FUNDS						
Unrestricted funds	11					
General Funds					140,521	101,962
Designated Funds					102,667	559,022
Investment Funds					<u>448,330</u>	<u>0</u>
					691,518	660,984
Restricted Funds					35,438	24,709
Endowment Funds					<u>16,502</u>	<u>15,071</u>
TOTAL FUNDS					<u>743,458</u>	<u>700,764</u>

The financial statements were approved by the Parochial Church Council on 21st October 2024 and were signed on its behalf by:



M Archer
Chair of Trustees

24/10/2024



P Marston
PCC Treasurer

24/10/2024

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	CF Notes	£	£	£	£	£
Cash flows from operating activities						
Cash generated from/ (used in) operations	1	41,027	13,204	0	54,231	-51,586
Net cash provided by/ (used in) operating activities		41,027	13,204	0	54,231	-51,586
Cash flows from investing activities						
Dividends from Shares		451	0	0	451	449
Interest from Deposits		0	0	0	0	0
Rent from Investment Property		2,400	0	0	2,400	11,596
Purchase of Fixed Assets		-2,798	0	0	-2,798	-17,800
Loss from disposal of Investments		-16,628	0	0	-16,628	0
Net cash provided by investing activities		-16,575	0	0	-16,575	-5,755
Cash flows from financing activities						
Net inflows/(outflows) from borrowings and financing		0	0	0	0	0
Transfers (balance b/f)		0	0	0	0	0
Increase/(Decrease) in cash and cash equivalents		24,452	13,204	0	37,656	-57,341
Cash and cash equivalents at beginning of year	2	110,418	27,702	0	138,120	192,468
Cash and cash equivalents at end of year	2	628,160	35,436	0	663,596	135,127

NB there be minor discrepancies throughout the following pages, as pence are not being shown

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Reconciliation of Surplus/(Deficit) To Cash Generated from Operations

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	£	£	£	£	£
Surplus/(Deficit) from operations	24,729	13,204	1,430	39,363	-66,005
Revaluations	-3,330	0	-1,430	-4,760	2,024
Depreciation	16,628	0	0	16,628	16,411
Dividends from Investments	-451	0	0	-451	-449
Interest from Investments	0	0	0	0	0
Rent from Investment Property	-2,400	0	0	-2,400	-11,596
(Increase)/Decrease in Debtors	8,687	0	0	8,687	6,384
Increase/(Decrease) in Creditors	-2,836	0	0	-2,836	1,646
Net cash provided by operating activities	41,027	13,204	0	54,231	-51,586

2. Cash and Cash Equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2023
	£	£	£	£
Year ended 31st December 2023				
Cash and cash equivalents	628,160	35,436	0	663,596
	628,160	35,436	0	663,596
	Unrestricted Funds	Restricted Funds	Other Funds	TOTAL FUNDS 2022
	£	£	£	£
Year ended 31st December 2022				
Cash and cash equivalents	110,418	24,708	0	135,126
	110,418	24,708	0	135,126

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. ACCOUNTING POLICIES

Accounting convention

The Parochial Church Council of Highfield Church, Southampton is a charity with a registered charity number 1131770 which is registered and domiciled in England with the address of Highfield Lane, Highfield, Southampton, Hampshire, SO17 1RL.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets which are shown at market value. The financial statements include all transactions, assets and liabilities for which the PCC is responsible by law. They do not include the accounts of church groups that owe their main affiliation to another body, nor those that are informal gatherings of church members. The financial statements are prepared in sterling which is the functional and presentational currency of the charity and rounded to the nearest pound.

Public benefit entity

The PCC is a public benefit entity within the meaning of FRS 102. The financial statements have been prepared under the Charities Act 2011 and in accordance with the Church Accounting Regulations 2006 governing the individual accounts of PCCs, and with the Regulations' 'true and fair view' provisions, together with FRS 102 (2016) as the applicable accounting standards and the 2016 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP (FRS 102)).

Critical accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material judgements that are considered by the trustees to have an impact upon these financial statements.

Fund accounting

Endowment fund capital must be maintained permanently; only dividend income arising from investment of the endowment may be used as funds based on the purpose for which the endowment was established, which is for church fabric upkeep.

Restricted funds represent (a) income from trusts or endowments which may be expended only on those restricted objects provided in the terms of the trust or bequest, and (b) donations or grants received for a specific object or invited by the PCC for a specific object. The funds may only be expended on the specific object for which they were given. Any balance remaining unspent at the end of each year must be carried forward as a balance on that fund. Explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are general funds which remain unrestricted but are set aside by the PCC for use in the future. These funds cover investment property values and are also for the future depreciation of fixed assets and essential maintenance of premises.

Incoming resources

Planned gifts, collections and donations are recognised when received. Tax refunds are recognised when the incoming resource to which they relate is received. Grants and legacies are accounted for when the PCC is legally entitled to the amounts due. Investment income is accounted for when receivable. All other income, including church centre rental income, is recognised when it is receivable.

Resources expended

Grants and donations are accounted for when paid over, or when awarded, if that award creates a binding or constructive obligation on the PCC. The diocesan parish share is accounted for when due. All other expenditure is generally recognised when it is payable.

Tangible fixed assets

Consecrated and beneficed property is excluded from the financial statements in accordance with the Charities Act 2011. No value is placed on moveable church furnishings held by the church wardens on special trust for the PCC and which require a faculty for disposal since the PCC considers this to be inalienable property and no reliable cost information is available. All expenditure incurred, whether maintenance or improvement, during the year on consecrated or benefice buildings is written off as expenditure in the Statement of Financial Activities and separately disclosed. Expenditure on moveable furniture and equipment is capitalised.

The Church Centre is managed by Highfield PCC but, in common with previous years, only Building Improvements, Fixtures and Fittings (including furniture) are capitalised and depreciated.

Equipment with a purchase price of £500 or less is written off when the asset is acquired.

Depreciation is at the following annual rates in order to write off each asset over its useful economic life.

Church Centre Building Improvements	4% Straight line
Church Centre Fixtures & Fittings	10% Straight line
Church Services Fittings & Equipment	10% Straight line
Other Equipment including computers	20% Straight line

Investment property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation are, ordinarily, recorded in the Statement of Financial Activities and transferred at the year end to the designated funds.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment. The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Pension costs

The PCC participates in a defined contribution pension scheme. Contributions payable to the PCC pension scheme are charged as resources used in the period to which they relate.

Redundancy costs

The PCC will seek to ensure that budgeting around staffing is done on a conservative basis. In the event that a role has to be made redundant, the PCC will follow current HR advice and practice, and will at least provide the statutory minimum in redundancy pay. Redundancy payments are recognised when the decision to terminate an employee's contract is taken and is demonstrably committed and measured as the best estimate for amounts due to settle the obligation and where material, discounted.

Current assets

Amounts due to the PCC in respect of fees, rents or other income are shown as debtors less provision for amounts that may prove uncollectable.

Leased assets: Lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss. Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Taxation

The charity is exempt from corporation tax; however, the trustees monitor the nature of transactions to ensure these are appropriately disclosed to HM Revenue and Customs.

2. INCOME

	Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
	£	£	£		£
2(a) Voluntary Income					
Planned gifts:					
Giving under Gift Aid	321,105	15,088	0	336,193	307,857
Tax recoverable	79,807	506	0	80,313	72,931
Other tax efficient giving	11,216	0	0	11,216	26,121
Non gift aid able giving	7,828	0	0	7,828	8,960
Collections at services	0	0	0	0	0
Gift Days & Retiring collections	15,088	2,776	0	17,864	8,631
Sundry donations	0	0	0	0	0
Legacies	500	0	0	500	5,000
Grant Income	0	16,373	0	16,373	1,300
	435,544	34,743	0	470,287	430,800
2(b) Church Activities					
Church Centre lettings etc	78,614	0	0	78,614	42,598
Restricted fund activities	0	0	0	0	0
income					
Self-funded activities income	23,084	932	0	24,016	32,220
Parish Fees	7,124			7,124	10,665
	108,822	932	0	109,754	85,483
2(c) Income from investments					
Dividends and interest	0	0	451	451	449
Rental Income	2,400	0	0	2,400	11,596
	2,400	0	451	2,851	12,045
2(d) Other Income					
Other state aid	0	0	0	0	0
	0	0	0	0	0
TOTAL INCOME	546,766	35,675	451	582,892	528,328
2(e) Transfers to General Funds	451		-451		

3. EXPENDITURE

		Unrestricted Funds	Restricted Funds	Endowment Funds	TOTAL FUNDS 2023	TOTAL FUNDS 2022
		£	£	£	£	£
3(a) Missionary and charitable giving:						
Mission partners:						
- Church overseas		19,140	0	0	19,140	28,284
- Home missions & other organisations		21,937	0	0	21,937	19,521
Short term placements		0	0	0	0	0
Other donations		0	3,076	0	3,076	6,934
		41,077	3,076	0	44,153	54,739
3(b) Church Activities:						
Ministry:						
- Diocesan Common Mission		120,481	0	0	120,481	124,884
Fund						
- clergy expenses		807	0	0	807	1,101
Church services		12,828	0	0	12,828	11,501
Church ministries		11,085	980	0	12,065	13,040
Training costs		1,145	700	0	1,845	2,624
Church running and maintenance (incl Church Centre)		64,488	13	0	64,501	111,847
Investment property costs		0	0	0	0	0
Office costs		14,546	1494	0	16,040	13,099
Depreciation	4	16,628	0	0	16,628	16,419
Distribution of Parish fees		1,617	0	0	1,617	2,072
Unrestricted fund activities		0	0	0	0	0
Restricted fund activities		0	0	0	0	1,235
Self-funded activities expenditure		23,197	0	0	23,197	28,113
		266,822	3,187	0	270,009	325,935
3(c) Governance costs						
Independent Examiners Fees	4	3,660	0	0	3,660	5,080
3(d) Staff Costs (note 5)						
Salaries and employment costs	5	210,928	16,209	0	227,137	206,556
TOTAL EXPENDITURE		522,487	22,472	0	544,959	592,310

4. NET INCOME/(EXPENDITURE) RESOURCES

	2023	2022
	£	£
Independent Examiner's remuneration	3,660	5,080
Depreciation - owned assets	16,628	16,419
Loss on disposal of fixed assets	0	0

5. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	201,673	186,562
Social Security Costs	10,232	9,065
Pension Costs	18,729	14,937
Statutory Pay Recovered	-3,497	-4,008
	<u>227,137</u>	<u>206,556</u>

The average number of employees in the year was 18 (2022: 12 – please note, prior to this year, only fully employed staff were included in this figure, but from 2023, all employed individuals, whether full time or part time who are registered with HMRC as on Highfield Church's payroll have been included). No employees earned £60,000 pa or more.

See note 12 for disclosure of payments made to related parties.

Three members of clergy were paid by the Church Commissioners and not the PCC. The Common Mission Fund paid to the diocese was in part to cover these costs. One of these posts is funded by the PCC and has been included in the above figures. Two clergy gave their time as non-stipendiary clergy, for no remuneration by either the Church Commissioners or PCC.

The charity trustees were not paid or received any other benefits from employment with the Church in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

6. TANGIBLE FIXED ASSETS

	Church Centre £	Church Services £	Other Equipment £	TOTAL £
COST				
At 1 January 2023	392,597	183,237	21,187	597,021
Additions	535	0	4,737	5,272
Disposals	0	0	0	0
reclassifications				
At 31 December 2023	393,132	183,237	25,924	602,293
DEPRECIATION				
At 1 January 2023	359,399	133,538	15,062	507,999
Charge for year	5,480	8,544	2,603	16,628
Disposals	0	0	0	0
At 31 December 2023	364,880	142,082	17,665	524,626
NET BOOK VALUE				
At 31 December 2023	28,253	41,155	8,259	77,667
At 31 December 2022	33,198	49,699	6,125	89,022

Restricted adjustment shown in the Statement of Financial Activities relates to £2,474 capital spend in 2023. This reduced the relevant Restricted Funds. The terms of the restriction were fulfilled upon the purchase of the asset allowing it to be transferred to unrestricted funds and used for unrestricted charitable purposes. The assets purchased in 2023 were added to the unrestricted designated fixed asset fund.

7. INVESTMENT PROPERTY

	104 USA £
MARKET VALUE	
At 1 January 2023	470,000
Gain on sale of fixed asset (see note below)	10,000
Legal & Professional fees	(7,326)
Interest added (in Escrow)	656
Additions/(Disposals) (see note below)	(473,330)
At 31 December 2023	0

The property, 104 Upper Shaftesbury Avenue (known as 104 USA) was sold in August 2023 for the price of £473,330 after Estate Agency and Conveyancing Fees. The monies were received in the church bank accounts in September 2023 and have formed a new unrestricted Designated Investment Fund for use by the PCC as well as £25,000 being moved into Essential Repair Fund. The Investment Fund was moved to a Cooperative Bank savings account in 2024 and has started to accrue interest.

8. FIXED ASSET INVESTMENTS

	Unlisted investments
MARKET VALUE	£
At 1 January 2023	15,071
Additions/(Disposals)	0
Transferred to current assets	0
Changes in mid-market value	1,430
At 31 December 2023	<u>16,501</u>

These are COIF income shares. There were no investment assets outside the UK. Value is advised by the Diocese. These are known as the Endowment Funds

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Gift Aid recoverable	988	1,657
Church centre debtors	0	0
Other debtors and prepayments	3,851	11,869
VAT recoverable	0	0
	<u>4,839</u>	<u>13,526</u>

VAT is recoverable from DCMS under Listed Places of Worship Government grant scheme.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade and pension creditors	2,564	1,940
Social Security and other taxes	0	2,037
Customer Advances	9,220	3,376
Other creditors	3,503	10,969
Accrued expenses	3,859	3,660
	<u>19,146</u>	<u>21,982</u>

11. FUNDS

Unrestricted funds are available at the discretion of the PCC.

Designated funds are for specific expenditure on, and the financing of, property and fixed assets. They include amounts that are designated for maintenance and depreciation.

Restricted funds are in respect of:

- Group activities subsidised by the people involved and run at no extra cost to the PCC general fund.
- Gifts to specific causes.

Endowment funds comprise the Vicar and Church Warden's Fabric Fund, from which the income is to be used for the church fabric upkeep.

Summary of fund movements	At 1 st January 2023 £	Net movement in Funds £	At 31 st December 2023 £
Unrestricted funds			
General Funds	101,962	38,559	140,521
Designated Funds	559,022	(8,025)	550,997
Restricted Funds	24,709	10,729	35,438
Endowment Funds	15,071	1,431	16,502
TOTAL FUNDS	700,764	42,694	743,458

Net movement in funds, included in the above are as follows:

	Opening Balance £	Income £	Expenditure £	Gains and Losses £	Transfers £	Movement in Funds £	Closing Balance £
Unrestricted funds							
General Fund	101,962	546,766	(505,859)	3,330	(5,678)	38,559	140,521
Designated funds							
Fixed Asset fund	89,022	-	(16,628)	-	(5,273)	(11,355)	77,667
Investment Property fund	470,000	-	-	-	(470,000)	(470,000)	-
Essential Repairs fund	-	-	-	-	25,000	25,000	25,000
Investment fund	-	-	-	-	448,330	448,330	448,330
	559,022	-	(16,628)	-	8,603	(8,025)	550,997
Restricted funds							
Gift Day fund	3,314	3,324	(3,575)	-	(535)	(786)	2,528
Campus Mission Initiative fund	5,669	27,253	(9,002)	-	-	18,251	23,920
Henry Smith fund	12,269	-	(9,611)	-	(1,939)	11,550	719
New Wine Raising Generations fund	-	4,166	-	-	-	4,166	4,166
Youth Fest	661	932	-	-	-	932	1,593
Other Small funds	2,796	-	(284)	-	-	(284)	2,512
	24,709	35,675	(22,472)	-	(2,474)	10,729	35,438
Endowment funds	15,071	451	-	1,431	(451)	1,431	16,502
TOTAL FUNDS	700,764	582,892	(544,960)	4,761	-	42,694	743,458

Summary of Assets by Fund

	General Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	TOTAL 2023 £
Tangible fixed assets	-	77,667	-	-	77,667
Investment Property	-	-	-	-	-
Investments	-	-	-	16,501	16,502
Debtors	4,839	-	-	-	4,839
Cash at bank & in hand	154,828	473,330	35,438	-	663,596
Creditors < 1 year	19,146	-	-	-	19,146
Creditors > 1 year	-	-	-	-	-
	140,521	550,997	35,438	16,502	743,458

	General Fund	Designated Funds	Restricted Funds	Endowment funds	TOTAL 2022
Tangible fixed assets	-	89,022	-	-	89,022
Investment Property	-	470,000	-	-	470,000
Investments	-	-	-	15,071	15,071
Debtors	13,526	-	-	-	13,526
Cash at bank and in hand	110,418	-	24,709	-	135,127
Creditors < 1 year	21,982	-	-	-	21,982
Creditors > 1 year	-	-	-	-	-
	101,962	559,022	24,709	15,071	700,764

There were no major capital additions in 2023. Additions of £5,272 (2022: £17,800) have been allocated to designated funds.

Essential Repairs Fund (previously Essential Maintenance Fund). The PCC is required to undertake an inspection of the church building every five years. Plans for cyclical maintenance are then drawn up to maintain the building. The PCC sets aside money annually to cover the work required for the following year to cover such work and other essential repairs that, if not completed, would lead to further value loss. This does not cover any planned improvements. The Essential Repairs Fund was reinstated in 2023.

The restricted funds are made up from two grants and restricted donations received by Highfield Church; the Henry Smith grant finished in 2023 and there is a trivial amount left to be used in January 2024. The New Wine Raising Generations grant was awarded in 2024 to support growth of the citywide youth ministry. The restricted donations fund the Campus Missionary Initiative, which part funds our Student Outreach, and there is the remainder of the 2020 Advent Gift Day and other historical restricted funds.

12. RELATED PARTY TRANSACTIONS

There were trustees' expenses paid for the year ended 31 December 2023 (2022: £0), including those expenses which were reimbursed to trustees for expenditure incurred on behalf of the charity. Other expenses paid to Trustees included travel, subsistence, accommodation, entertainment and other related expenses.

	2023
	£
C Hutchings	225
Christine Sinclair	25
David Tozer	1,672
E Roberts	223
G Sankey	50
Mike Archer	2,989
P Hutchings	544
Pete Marston	426
Sarah Archer	194
Total	6,348

The following relatives of trustees received payment for their services or as employees of the PCC:

P Hutchings – P Hutchings is the spouse of C. Hutchings who is a Trustee of the charity. The total paid in the applicable period for 2023 was £569 (2022: £2,785) as an employed staff member.

S Archer is employed by the Diocese in an Ordained position as Associate Minister. The cost of this employment is covered by the PCC who pay the Diocese. The charity pays the Diocese who then pay S Archer. S Archer is a Trustee, due to her Ordained position and also the spouse of the chair of Trustees. The total paid covering salary, pension and national insurance contributions in the applicable period for 2023 was £18,603 (2022: £0)

P Cross – P Cross is a member of the LLP of Moore Barlow LLP. Moore Barlow LLP were appointed to provide some legal guidance related to a safeguarding matter between 5th to 25th June 2023 and were paid £1,292 as their fee for services provided. This payment was not a direct benefit to P Cross nor was a payment made to P Cross and P Cross had no involvement with the services provided or fees agreed.

The PCC relies on the provisions contained in section 3a of its governing document to pay a PCC member or connected person.

PCC members are not involved in decisions concerning those with whom they are connected.

There were no conditions associated with donations from the Trustees which totalled £48,313 (2022: £43,139)

Volunteers play a significant role in the activities of the church which is described in the Trustees report. It is not possible to accurately or consistently value their contribution and therefore these accounts do not include a monetary value in this respect.

13. PENSIONS

Highfield Parochial Church Council participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2023: £18,729, 2022: £14,937).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

The legal structure of the scheme is such that if another employer fails, Highfield Parochial Church Council could become responsible for paying a share of the failed employer's pension liabilities.

The PCC had 9 active members in the Pension Builder Classic section at 31 December 2023 (2022: 8).